

**Virginia State Corporation Commission
eFiling CASE Document Cover Sheet**

202010161220

Case Number (if already assigned) PUR-2020-00015

Case Name (if known) Application of Appalachian Power Company, For a
2020 triennial review of rates, terms and conditions for
the provision of generation, distribution and
transmission services

Document Type EXBR

Document Description Summary Post-Hearing Brief of the Virginia Poverty Law Center

Total Number of Pages 19

Submission ID 20032

eFiling Date Stamp 10/16/2020 3:42:40PM



October 16, 2020

VIA ELECTRONIC FILING

Clerk of the Commission
c/o Document Control Center
State Corporation Commission
1300 E. Main Street
Richmond, VA 23219

Re: *Application of Appalachian Power Company, For a 2020 triennial review of rates, terms and conditions for the provision of generation, distribution and transmission services*
Case No. PUR-2020-00015

Dear Sir or Madam:

Enclosed for filing in the above-captioned matter is the Post-Hearing Brief of the Virginia Poverty Law Center.

Should you have any questions about this filing, please do not hesitate to contact me.

Sincerely,

/s/ William T. Reisinger

William T. Reisinger

cc: Certificate of Service

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUR-2020-00015

For a 2020 triennial review of its base rates,
terms and conditions pursuant to § 56-585.1
of the Code of Virginia

**POST-HEARING BRIEF OF THE
VIRGINIA POVERTY LAW CENTER**

Pursuant to the State Corporation Commission's ("Commission") September 18, 2020, Order on Post-Hearing Briefs, the Virginia Poverty Law Center ("VPLC"), by counsel, hereby files its brief in this matter.

BACKGROUND & INTRODUCTION

Appalachian Power Company ("Appalachian" or "Company"), a regulated electric utility company, filed its Application for a triennial review of base rates on March 31, 2020, pursuant to Va. Code § 56-585.1 A. The Application requests a \$65 million increase to the Company's current base generation and distribution rates. Appalachian reports that its earnings in 2017 and 2018 were in excess of its authorized rate of return on common equity ("ROE") of 9.42%. But the Company claims that it earned an ROE of only 3.78% in 2019, well below 9.42%. When including the lower 2019 earnings, Appalachian reports that it earned an ROE of 8.24% for the combined three-year test period, which is "below 8.72%, the bottom of APCo's authorized ROE band for the triennial Earnings Test Period."¹ Because it reports earnings below the statutory earnings band of 70 basis

¹ Application at 7.

points for the three-year review period, Appalachian requests a rate increase pursuant to Va. Code § 56-585.1 A 8.

Appalachian estimates that this increase, if granted, “would result in an increase for residential rates of 6.5% over the rates that are in effect as of March 31, 2020.”² Appalachian also requests a 48 basis points (0.48%) increase in its authorized ROE. The ROE set in this case will be used to measure Appalachian’s earnings in the Company’s next triennial review and will be applied to all of the Company’s rate adjustment clauses.

The Company also proposes changes to rate design that would result in larger percentage bill increases for lower-usage customers and those customers who do not heat their homes with electricity. Appalachian states that, under the Company’s proposed rate design, “residential customers who use less energy will see a greater percentage increase than those customers who use more energy, generally.”³

VPLC intervened in this proceeding to represent the interests of Appalachian’s lower-income residential customers. Many Virginians in Appalachian’s service territory were struggling to make ends meet even before an unprecedented public health crisis coupled with an economic recession gripped the nation. Now would be the worst possible time for the Commission to authorize an electric rate increase for Appalachian’s customers – especially one that is premised on questionable interpretations of Virginia law or “unreasonable” or “unconscionable”⁴ accounting tactics.

² See Application at 10.

³ Id.

⁴ See Exhibit 70 (Smith) at 26 (describing a “highly unreasonable” and “indeed unconscionable” accounting maneuver proposed by Appalachian).

VPLC asks the Commission to deny Appalachian's requested rate increase and address several discrete issues addressed herein.⁵

ARGUMENT

A. The Commission should reject Appalachian's proposed rate design changes.

Appalachian proposes two significant rate design changes. First, Appalachian requests an increase in its basic service charge from \$7.96 to \$14.00, an increase of 76%.⁶ The basic service charge is a fixed cost that all customers pay, regardless of whether they use a lot or very little electricity. Second, Appalachian proposes a declining winter block rate. Under the proposed declining winter block rate, residential customers would pay a lower rate for usage above 1,100 kilowatt-hours ("kWh") per month during December, January, and February. The Company asserts that these changes more accurately reflect the actual fixed cost of providing service to customers. The Company also claims that, in conjunction, these rate design changes will "[reduce] intra-class subsidies that disproportionately impact winter-heating customers as compared to other residential customers."⁷

Neither of Appalachian's proposed rate design changes are supported by the evidence, nor are they consistent with the public policy of the Commonwealth. Appalachian witness Walsh testifies that "[t]he current basic service charge is too low relative to these fixed costs of connecting a customer to the distribution system and maintaining that connection to provide electric service, resulting in intra-class subsidies between customers." Ms. Walsh further claims that "the full-cost basic service charge to recover only the Company's fixed distribution costs would be closer to \$38 per month."⁸

⁵ Pursuant to the Commission's September 18, 2020, Order on Post-Hearing Briefs, Attachment A provides a Summary identifying the issues and findings requested by VPLC.

⁶ See Application at 18.

⁷ Ex. 38 (Walsh Direct) at 9-10.

⁸ Ex. 38 (Walsh Direct) at 14.

Appalachian seems to provide this \$38 estimate as a marker in hopes of showing that, by comparison, \$14.00 is actually a modest request. In other words, it appears that Appalachian's only rationale for choosing \$14.00 is its assertion that it could have supported an even higher fixed charge. As Environmental Respondent witness Barnes noted, this figure was "[w]ithout any underlying analysis or specific justification." Mr. Barnes concluded that "the Company simply selected \$14.00/month as a number between the present rate of \$7.96/month and the purported \$38.00/month amount."⁹

The calculations purporting to show this "true level" of fixed costs to serve customers are flawed, however. Company witness Walsh calculates the costs of the distribution infrastructure (such as transformers, utility poles, and hundreds of feet of overhead conductors) she claims are necessary to serve customers. The total amount estimated by Ms. Walsh is \$4,227, which Ms. Walsh levelizes over 33 years to reach the \$38.00 estimate.¹⁰ Among other deficiencies, Appalachian's estimate is based on the theoretical costs to provide *new* service to *new* customers using all *new* infrastructure. Of course, Appalachian does not, for example, replace transformers or 40-foot utility poles every time a house is sold to a new family or every time a new tenant moves into an apartment. As Staff witness Watkins explained, "the vast majority of each of these types of plant and equipment in Ms. Walsh's analysis have been in service for several years and are partially depreciated such that customers have already been paying for these costs for a number of years." When accounting for this depreciation, Mr. Watkins estimates that the actual customer cost is between \$7.11 to \$7.97 per month.¹¹ Therefore, Appalachian's current basic service charge appears to be set at a reasonable level. Because Appalachian's proposed increase to its fixed charge is not supported by sufficient evidence, it should be rejected.

⁹ Ex. 56 (Barnes) at 6.

¹⁰ See Ex. 89 (Watkins) at 60.

¹¹ Ex. 89 (Watkins) at 62.

Appalachian also requests permission to implement a declining winter block rate for residential customers. Under this proposed declining block rate, residential customers using more than 1,100 kWh per month during the winter months would pay a lower rate for usage above this amount. Appalachian asserts that approximately 60% of its residential customers in Virginia utilize electricity to heat their homes.¹² It is these customers that presumably would benefit from a declining winter block rate.

Appalachian also claims that the declining winter block rate would benefit low-income customers. There is not sufficient evidence to support this claim, however. Appalachian admits does not have income data for its customers and does not know the average usage of “low-income” customers in its service territory.¹³ Appalachian also seems to discount low-income customers who use less energy, such as those customers living in smaller homes or apartments.

Appalachian’s proposal would provide no benefits for the many lower-usage customers as well as those who do not heat their homes with electricity. Such lower-usage and non-electric-heating customers would include many low-income customers. At the hearing, Ms. Walsh agreed that the “break even” point in any month, at which point a residential customer might achieve bill savings due to the proposed rate design changes, is about 1,600 kWh.¹⁴ Therefore, Appalachian’s proposal would seem to benefit only those customers who heat with electricity *and* use more than about 1,600 kWh per month during the winter months. All other customers would see meaningful rate increases during the winter months and during the rest of the year. Ms. Walsh agreed that under the declining winter block rate proposal “in all months of the year, lower usage customers would experience larger percentage bill increases.”¹⁵

¹² Ex. 38 (Walsh Direct) at 10.

¹³ Tr. 296.

¹⁴ Tr. 1193; see also Ex. 131 (Walsh Rebuttal) at 11.

¹⁵ Tr. 1194.

Appalachian's proposed rate design changes are also contrary to recent policy enactments by the General Assembly. As a general matter, higher fixed charges and declining block rates discourage investments in energy efficiency and devalue energy conservation. When a larger portion of a customer's energy burden is attributable to fixed, not volumetric, charges it reduces the customer's incentive to undertake measures to reduce energy consumption. As Staff witness Watkins concludes, "higher fixed charges reduce customers' ability to control their electric bills."¹⁶

In recent years, the General Assembly has enacted many policies to encourage – not discourage – conservation and efficiency. Virginia law now requires Appalachian to comply with annual savings targets¹⁷ and declares utility investments in efficiency to be "in the public interest."¹⁸ Moreover, during its most recent regular session, the General Assembly established a policy designed to provide electricity bill relief for low-income customers. This new policy, the Percentage of Income Payment Program ("PIPP"), is designed to reduce the energy burden faced by Appalachian's customers by limiting energy bill payments to a certain percentage of their income.

The PIPP is also intended to encourage customers to reduce their electricity consumption.

Virginia Code Section 56-585.6 describes the two main objectives of the PIPP:

[To] (i) reduce the energy burden of eligible participants by limiting electric bill payments directly to no more than six percent of the eligible participant's annual household income if the household's heating source is anything other than electricity, and to no more than 10 percent of an eligible participant's annual household income on electricity costs if the household's heating source is electricity, and (ii) *reduce the amount of electricity used by the eligible participant's household through participation in weatherization or energy efficiency programs and energy conservation education programs.*¹⁹

¹⁶ Ex. 89 (Watkins) at 59.

¹⁷ Va. Code § 56-596.2.

¹⁸ See Va. Code §§ 56-576 and 56-585.1 A 6 (declaring "electric grid transformation projects," including energy efficiency investments, to be "in the public interest").

¹⁹ Emphasis added.

Appalachian's proposal to implement higher fixed charges and declining block rates is not consistent with the General Assembly's policy to provide electric bill relief for low-income customers by encouraging efficiency and conservation. These changes would seem to disproportionately impact lower-usage customers. For those reasons, the Commission should reject Appalachian's proposal to increase its basic service charge combined with a winter declining block rate.

B. VPLC supports the cost of equity recommendations of the Commission Staff and Consumer Counsel.

As part of its proposed rate increase, Appalachian requests that the Commission authorize a going-forward ROE of 9.9%. While VPLC did not provide cost of equity testimony, VPLC supports the cost of equity analyses presented by Staff witness Pippert and Consumer Counsel witness Woolridge. Ms. Pippert supports a cost of equity range of 8.0% to 9.0%, with a midpoint of 8.5%. After considering the statutory peer group analysis, Ms. Pippert supports an ROE for ratemaking of 8.73%.²⁰ Dr. Woolridge supports a range of 7.6% to 8.85% and recommends an 8.75% ROE for ratemaking.²¹ These witnesses presented credible evidence that interest rates and Treasury yields are at historically low levels; that the Federal Reserve is likely to continue its accommodative monetary policy; that Appalachian is subject to limited business risk and has been able to attract capital on reasonable terms; and that national authorized ROEs are gradually trending downward as capital costs decline.²² Mr. Woolridge noted that in 2018 the Commission found that a range of 8.5% to 9.0% would be reasonable and meet all constitutional standards, and that "since that decision was made, the yield on 30-year Treasury bonds has fallen over 100 basis points."²³

²⁰ Ex. 80 (Pippert) at 2.

²¹ Ex. 52 (Woolridge) at 4.

²² See Ex. 52 (Woolridge) at 6, 22, 24.

²³ Tr. 400.

By contrast, the evidence demonstrated that Appalachian's cost of equity analysis is not credible. The Commission Staff and other parties raised valid concerns about several of Mr. McKenzie's methodologies, including his use of unreasonably high projected interest rates and Treasury yields.²⁴ In Appalachian's 2018 ROE proceeding, the Commission found that Mr. McKenzie's use of such projected interest rates "upwardly skew [the] results" of Appalachian's recommendations.²⁵ Projected interest rates are of limited value because, as Dr. Woolridge explained, "[e]conomists have been predicting that interest rates would be going up for a decade, and they consistently have been wrong."²⁶

Appalachian concedes that its cost of equity has declined since 2018. Mr. McKenzie, for example, recommends a rate of return that is 32 basis points below his recommendation in the 2018 proceeding. Mr. McKenzie proposes an ROE of 9.9% in this proceeding, versus 10.22% in 2018.²⁷ At the hearing, Mr. McKenzie acknowledged that a 32 basis points reduction from the 9.0% ROE that the Commission found to be reasonable in 2018 would result in an ROE of 8.68%, very near the recommendations of Ms. Pippert and Dr. Woolridge.²⁸ In short, these witnesses present credible evidence that Appalachian's cost of equity is now below the 9.0% level that the Commission found to be reasonable in the Company's 2018 ROE proceeding.

Appalachian did not demonstrate that its requested ROE is necessary for the utility to attract capital. Appalachian acknowledged that the Company remains a "healthy and financially secure utility today" despite the fact that the Commission authorized an ROE 80 basis points below the Company's request in the 2018 ROE proceeding.²⁹ Mr. Woolridge testified that "they certainly

²⁴ Ex. 52 (Woolridge) at 10.

²⁵ Case No. PUR-2018-00048, Final Order at 4-5.

²⁶ Ex. 52 (Woolridge) at 19.

²⁷ Tr. 222.

²⁸ Tr. 225.

²⁹ Tr. 226, 1036.

don't have any trouble raising capital or maintaining financial integrity.³⁰ Mr. McKenzie agreed that the Commission's decision to set the Company's authorized ROE 80 basis points below the Company's requested ROE did not affect the safety or financial strength of Appalachian.³¹ Likewise, there is no reason to believe the Company will not be able to attract capital and finance its operations with a lower authorized return.

C. VPLC supports Consumer Counsel's recommendation that the costs associated with certain non-period coal unit retirements should be removed from the earnings test for this case.

One of the most important issues in this case concerns the proper accounting treatment and cost recovery for expenses associated with certain facilities that were retired in 2015. Appalachian asserts that the remaining net book values of several coal units that were retired in 2015 should be "deemed recovered" in the 2017-2019 test period. The Virginia retail share of these remaining values is \$88.3 million.³² Whether this large expense should be accepted as an impairment write-off during the very last month of the triennial review period has a dramatic impact on the earnings test – and therefore the results of this case.

VPLC supports the recommendation of Consumer Counsel witness Smith that these expenses should be removed from the earnings test. The retirement determinations for these units were made prior to the triennial review period, and the plants did not operate during the 2017-2019 time period.³³ Only after the Company developed "more certainty" regarding its likely earnings position in this case did the Company attempt to record this impairment write-off.³⁴ In other words, the Company attempts to "reach and snag out-of-period costs and expense them as if they were part of this Triennial Review period," thereby skewing the results of the earnings test to support its

³⁰ Tr. 401

³¹ Tr. 226.

³² See Ex. 21 (Castle Direct) at 8.

³³ Tr. 629.

³⁴ Ex. 70 (Smith) at 29-30.

requested rate increase.³⁵ Mr. Smith calls this maneuver “highly unreasonable” and “indeed unconscionable.”³⁶

The evidence showed that the remaining net book values of these units should be deemed to have already been recovered through Appalachian’s existing rates during the time period when rate reviews were suspended but cost recovery and asset depreciation continued. Mr. Smith testified that “[b]ased on [the Company’s] unaudited earnings during 2014-2016,” it appears that the Company “recovered tens, if not hundreds, of millions of dollars above the bottom of its authorized return on equity” during the unaudited 2014-2016 time period alone.³⁷ Staff witness Welsh agreed that “the Company continued to recover costs from its customers” during the rate freeze period.³⁸ When using the analogy of a home mortgage, Mr. Welsh agreed that “the balance [stopped] coming down on these plants from 2015 through 2019” even though customers continued to make payments, and if the Company had simply continued the current depreciation rates for the retired units (approximately \$19 million per year), those facilities would have been recovered over period of five years.³⁹

Exhibit 104, Staff’s presentation of the reported net book value of the retired units over time, illustrates how the depreciation of these units suddenly stopped in 2015 after the retirements were initially recorded:

³⁵ Consumer Counsel July 30, 2020, Legal Memorandum at 26.

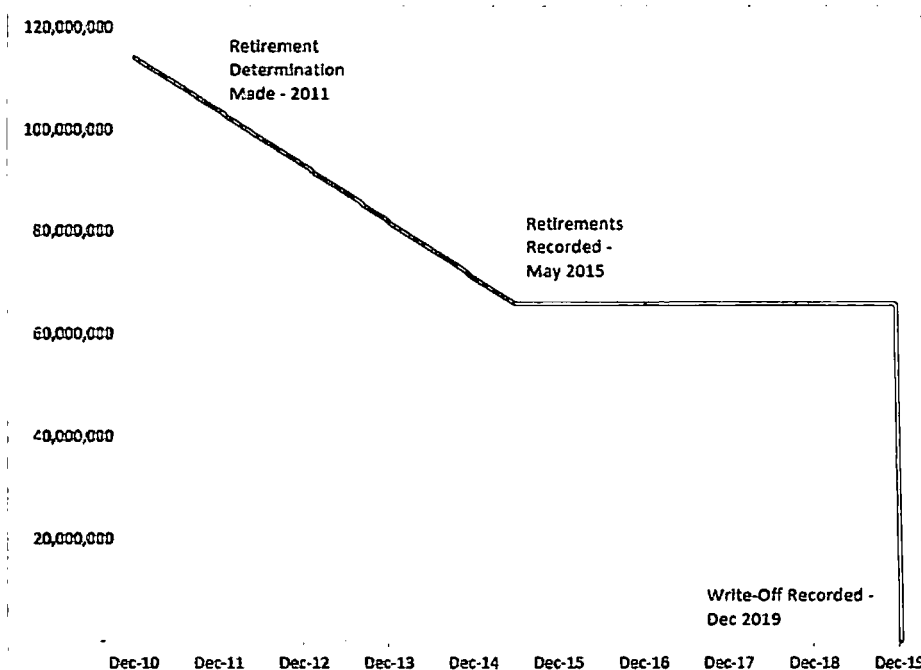
³⁶ Exhibit 70 (Smith) at 26.

³⁷ Ex. 70 (Smith) at 26.

³⁸ Tr. 975.

³⁹ Tr. 976.

Retired Units Net Book Value Over Time



Therefore, under the Company's theory of the case, its captive customers can be compelled to make tens of millions of dollars in payments, over a period of years, through rates designed to recover the retirement costs, in amounts sufficient to fully pay off the undepreciated balances. But, according to Appalachian, its customers should receive no credit for doing so! Appalachian requests an absurd result that is flagrantly unjust and unreasonable.

Even if the Commission does not exclude the entirety of the non-period expenses from the earnings test as recommended by Consumer Counsel, Virginia law requires that these costs be amortized for the benefit of Appalachian's customers. Virginia Code § 56-585.1 E ("Subsection E") requires the Commission to "establish a recovery period" for any such costs. Such recovery period must be one "that best serves ratepayers." Subsection E, therefore, would prevent the Company

from recognizing all of the non-period retirement expenses during 2019 and would instead require the Commission to amortize such costs in a manner that benefits Appalachian's customers.⁴⁰

D. Virginia's statutory structure has allowed Appalachian to overcharge its customers for years.

As a final matter, VPLC urges the Commission to consider the fact that Appalachian has been overcharging its customers for years. Appalachian's history of revenue sufficiencies and overearnings has both legal and prudential significance for this case. The Commission should consider this history when evaluating, for example, whether certain non-period costs have been fully recovered through rates and whether the recommendations of the parties would result in rates that are "unfair" or "punitive" to Appalachian.

Appalachian's history of overearnings during the last decade is in the record and is not in dispute. For example, all parties to the Company's last base rate case – including Appalachian – agreed that the Company's rates were designed to produce a going-forward revenue sufficiency of at least \$42 million per year.⁴¹ In that case, the Commission found that Appalachian earned an ROE of 11.86% during the prior two-year review period, representing earnings of almost 100 basis points above the Company's authorized return of 10.9%.⁴² But the Commission was prohibited from reducing the Company's going-forward base rates due to the law in effect at that time.⁴³ This means that Appalachian's rates in effect in 2014 were determined to be excessive, designed to recover \$42 million more than the Company's cost of service including a fair return.

⁴⁰ Va. Code § 56-585.1 E. VPLC incorporates by reference all arguments made in its Motion for Ruling and Reply filed in this docket on July 27 and August 28, 2020.

⁴¹ See, e.g., Ex. 70 (Smith) at 21 (citing *Application of Appalachian Power Company, For a 2014 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, SCC Case No. PUE-2014-00026, Final Order at 22 (Nov. 26, 2014)); Tr. 54-55, 960, 1039.

⁴² See Ex. 70 (Smith) at 21.

⁴³ See Ex. 70 (Smith) at 20-21.

In 2015, the General Assembly suspended base rate cases and earnings reviews for Appalachian altogether for a period of several years. Therefore, Appalachian's base rates, which were previously found to be excessive, could not be adjusted regardless of the earnings levels of the utility. Mr. Smith explained that "the result of that [legislation] allowed Appalachian Power to go on overearning" during the rate freeze period.⁴⁴

Over the last decade, Appalachian reported earnings (or was found to have earned) in excess of its authorized return during the following years:⁴⁵

2012-2013

For this biennial review period, the Commission found that Appalachian earned an ROE of 11.86% (above the Company's authorized return of 10.9%);⁴⁶

2014-2015

For this combined period, Appalachian reported an ROE of 9.83% (0.13% above the ROE most recently authorized by the Commission);⁴⁷

2016

For calendar year 2016, Appalachian reported an ROE of 11.09% (1.39% above the ROE authorized by the Commission in the Company's last biennial review proceeding and 1.69% above the ROE most recently authorized by the Commission);⁴⁸

2017

For calendar year 2017, Appalachian reported an ROE of 11.36% (1.94% above the ROE most recently authorized by the Commission);⁴⁹

2018

For calendar year 2018, Appalachian reported an ROE of 9.84% (above the ROE of 9.42% authorized by the Commission in 2018).⁵⁰

⁴⁴ Tr. 672-673.

⁴⁵ Except for earnings during the 2012-2013 biennial review period, these financial results were reported by the Company, but were not audited by the Commission Staff or subject to review during a litigated proceeding. See Tr. 982; Ex. 70 (Smith) at 24.

⁴⁶ See Ex. 70 (Smith) at 21 (citing *Application of Appalachian Power Company, For a 2014 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, SCC Case No. PUE-2014-00026, Final Order at 22 (Nov. 26, 2014)).

⁴⁷ See Ex. 112 at 16.

⁴⁸ See Ex. 113 at 9.

⁴⁹ Application at 7.

⁵⁰ Application at 7.

This history undermines Appalachian's various claims that the recommendations by Staff and the respondents are somehow "unfair" or "punitive" or would consign the Company to "purgatory."⁵¹ As explained by Consumer Counsel, "[t]he Company had no similar complaints in its prior 2014 rate case when its own prospective rate year analysis showed that it had a \$42 million revenue sufficiency" and indeed "the Company vigorously defended the law that left those excessive annual revenues without a biennial rate review."⁵²

Recognizing this history of overearnings, VPLC stated at the hearing that "the statutory framework has been very favorable to this particular utility for many years."⁵³ But, as the parties have explained, the statute as it exists today dictates certain results depending on whether Appalachian's earnings are above, below, or within a 70 basis points (0.7%) earnings band.⁵⁴ Just because the result of this case may be less favorable than what Appalachian is used to, that does not make it "unfair" or "punitive."

CONCLUSION

Based on the law and facts of this case, VPLC urges the Commission to reject Appalachian's proposed rate increase. In so doing, VPLC requests that the Commission enter a final order that, at a minimum, does the following:

- *Rejects Appalachian's proposed rate design changes;*

Appalachian's proposed changes to rate design are not supported by sufficient evidence; are not consistent with the public policy of the Commonwealth; and would result in meaningful rate increases for many customers, including lower-usage customers and those individuals who do not utilize electric heating.

⁵¹ See, e.g., Tr. 17, 19.

⁵² Tr. 54-55.

⁵³ Tr. 34-35.

⁵⁴ See Ex. 102 (describing potential outcomes based on Va. Code § 56-585.1 A 8).

- Accepts the cost of equity and rate of return recommendations of the Commission Staff and Consumer Counsel;

The undisputed evidence demonstrates that Appalachian's cost of equity has declined since 2018, when the Commission found that an ROE of 9.0% would be reasonable for the Company. The facts support a going-forward ROE of approximately 8.75%, consistent with the recommendations of the Commission Staff and Consumer Counsel.

- Accepts Consumer Counsel's recommendation that certain costs incurred outside of the review period should be excluded from the earnings test;

Consumer Counsel provides compelling reasons why the costs associated certain non-period retirements should be excluded from the earnings test. If such costs are not excluded from the earnings test, however, Virginia law requires the Commission to establish a recovery period "that best serves ratepayers."

- Gives due consideration to Appalachian's history of overearnings; and

Appalachian's history of earning excessive returns over the last decade is relevant for legal and prudential reasons. In particular, the Commission should consider this history when determining whether the Company has fully recovered the disputed coal unit retirement costs.

- Orders any other relief as may be appropriate or required by law, including customer bill credits and rate reductions.

Respectfully submitted,

VIRGINIA POVERTY LAW CENTER

By counsel

/s/ William T. Reisinger

Matthew L. Gooch
William T. Reisinger
ReisingerGooch, PLC
11 South 12th Street
Richmond, Virginia 23219
(804) 223-6391
matt@reisingergooch.com
will@reisingergooch.com

October 16, 2020

CERTIFICATE OF SERVICE

I, William T. Reisinger, hereby certify that a true copy of the foregoing was served this 16th day of October, 2020, by e-mail to:

Noelle J. Coates, Esquire
AEP Service Corporation
njcoates@aep.com

James R. Bacha, Esquire
AEP Service Corporation
jrbacha@aep.com

Cassandra C. Collins, Esquire
Timothy E. Biller, Esquire
James G. Ritter, Esquire
Hunton Andrews Kurth LLP
scollins@HuntonAK.com
tbiller@HuntonAK.com
ritterj@HuntonAK.com

Daniel C. Summerlin, III, Esquire
Charles J. Dickinson, Esquire
summerlin@woodsrogers.com
cdickens@woodsrogers.com

Raymond Doggett, Jr., Esquire
Andrea Macgill, Esquire
Fred Ochsenhirt, Esquire
Office General Counsel
State Corporation Commission
raymond.doggett@scc.virginia.gov
andrea.macgill@scc.virginia.gov
frederick.ochsenhirt@scc.virginia.gov

C. Meade Browder, Jr., Esquire
Katherine C. Creef, Esquire
mbrowder@oag.state.va.us
kcreef@oag.state.va.us

Edward L. Petrini, Esquire
Louis R. Monacell, Esquire
Christian & Barton LLP
epetrini@cblaw.com
lmonacell@cblaw.com

Shaun C. Mohler, Esquire
Stone, Mattheis, Xenopoulos & Brew PC

William C. Cleveland, Esquire
Nathaniel H. Benforado, Esquire
Southern Environmental Law Center
wcleveland@selcva.org
hcoman@selcva.org
nbenforado@selcva.org

Robert D. Perrow, Esquire
John L. Walker, III, Esquire
Williams Mullen PC
bperrow@williamsmullen.com
jwalker@williamsmullen.com

C. Ervin James
Town Manager
Town of Rocky Mount
jewin@rockymountva.org

Dorothy E. Jaffe, Esquire
Sierra Club
dori.jaffe@sierraclub.org

Daniel A. Kirkpatrick, Esquire
Fletcher, Heald & Hildreth, P.L.C.
kirkpatrick@fhhlaw.com

Kurt J. Boehm, Esquire
Jody Kyler Cohn, Esquire
Boehm, Kurtz & Lowry
kboehm@BKLLawfirm.com
jkylercohn@BKLLawfirm.com

Carrie H. Grundman, Esquire
Derrick Price Williamson, Esquire
Spilman Thomas & Battle, PLLC
cgrundmann@spilmanlaw.com
dwilliamson@spilmanlaw.com

SCM@SMXBLaw.com

Evan D. Johns, Esquire
Appalachian Mountain Advocates
ejohns@appalmad.org

Attachment A

Summary of Issues and Positions of Virginia Poverty Law Center

Issue No. 1 – Should Appalachian’s base rate increase be granted?

No.

Issue No. 2 – Should Appalachian’s proposal to increase its basic service charge and implement a declining winter block rate be accepted?

No.

Issue No. 3 – Should Appalachian’s request for an increase to its authorized rate of return on common equity be granted?

No. VPLC supports the cost of equity and return recommendations of Consumer Counsel and the Commission Staff.

Issue No. 4 – Should Appalachian’s proposal to record an impairment write-off during the very last month of the triennial review period be accepted?

No. VPLC supports the recommendations and recovery period proposed by Consumer Counsel.

Issue No. 5 – Should the Commission, when evaluating the law and facts and exercising its legislative discretion, give due consideration to Appalachian’s history of overearnings?

Yes.